



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

July 10, 2012

To: All Department Heads

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## **STATUS UPDATE ON CONTRACTS AND INVESTMENTS WITH ARIZONA-BASED COMPANIES AND SENATE BILL 1070**

On June 1, 2010, the Board of Supervisors adopted a motion, as recommended by Supervisors Molina and Yaroslavsky, to oppose Arizona's Senate Bill (SB) 1070. As part of the Board motion, our Office issued a memo on June 16, 2010 to all department heads stating effective immediately, departments must suspend any County business travel to the State of Arizona unless authorized by this Office under the terms of the Board motion. The memo further instructed County departments to refrain from entering into new or amended contracts to purchase goods or services from any company based or headquartered in Arizona. Exceptions to this restriction included situations that were legally impermissible or impractical, resulted in significant additional cost to the County, or were pre-approved by this Office. Other portions of the motion dealt with legislative, legal, and investment strategies to oppose Arizona SB 1070. There was a condition in the Board motion that the directive shall be lifted upon the suspension or repeal of SB 1070.

The United States Supreme Court recently issued a ruling upholding certain provisions of SB 1070 while striking down others as unconstitutional. County Counsel is currently undertaking an in depth analysis of the decision. Notwithstanding the Supreme Court decision, the injunction issued by U.S. District Court Judge Susan Bolton against implementation of SB 1070 is still in place, and the authorities cannot begin enforcing any provisions of SB 1070 until the injunction is lifted. Therefore, the Board motion will remain in force until such time as the injunction is lifted.

Our Office will continue to exempt Arizona-based contractors and vendors that meet the certain criteria outlined in the June 24, 2010 memo (Attachment I). Previously exempted companies will not need to be re-reported, but any new exemptions will need

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to be reported monthly using the Arizona Exemptions template (Attachment II) until further notice.

Our Office and County Counsel will continue to monitor this case and will inform departments and the Board of Supervisors as they occur.

If you have any questions regarding this matter, please contact Ellen Sandt at (213) 974-1186 or via email at [esandt@ceo.lacounty.gov](mailto:esandt@ceo.lacounty.gov), or Manuel Valenzuela at (213) 974-1835 or via email at [mvalenzuela@counsel.lacounty.gov](mailto:mvalenzuela@counsel.lacounty.gov).

WTF:EFS:  
LG:cg

c: Each Supervisor



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WILLIAM T FUJIOKA  
Chief Executive Officer

June 24, 2010

To: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

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Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**CONTRACTS WITH ARIZONA-BASED COMPANIES**

On June 1, 2010, your Board adopted a motion as recommended by Supervisors Molina and Yaroslavsky, to oppose Arizona's Senate Bill 1070 related to enforcement of federal immigrations laws.

On June 17, 2010, our Office issued a memo to all department heads instructing departments to refrain from entering into new or amended contracts to purchase goods or services from any company based or headquartered in Arizona. Exceptions to this restriction include situations that: (1) are legally impermissible or impractical, (2) result in significant additional cost to the County, or (3) are pre-approved by this Office.

County Counsel is reviewing existing contracts with Arizona based or headquartered companies that have been identified by County departments. Once this review is complete, a report will be issued to your Board to explain whether or not the contracts can be legally terminated and the time frame in which these contracts can be legally terminated without causing undue harm to the County's interest. Meanwhile, when assessing whether or not the County will make an exemption to the Board's action, our Office will be considering the following criteria:

- The lowest cost for competitively bid commodity contracts or where the cost is a major consideration in a Request for Proposal for service contracts.
- Contracts that are required by law to be awarded to the lowest priced responsible and responsive bidder.

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Each Supervisor  
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- The contractor is a sole source or there are no other qualified bidders from other states who provide the required services or supplies.
- The impact on public health or safety, mental health or patient care of County residents/employees.
- The impact on the local economy or on local employment.
- The vendor possesses specialized knowledge about the County's needs that cannot be replaced in an acceptable time frame or without substantial additional cost to the County.
- The availability of other resources to timely assume the contractor's responsibility without the interruption of critical services.
- The additional cost, time and resources required to re-solicit the services or supplies.
- The contractor was specifically designated or named under either a State or federal grant, contract, agreement, Memorandum of Understanding, program or funding stream such that the County lacks the discretion to remove funding from the contractor.
- If an exemption is otherwise required because of some other specific legal requirement relating to the procurement, selection or administration of the contract.

As the review of the identified contracts proceeds, it may be necessary to consider or develop criteria for additional appropriate exemptions. If such necessity arises, our Office will immediately report the circumstances and recommended criteria for consideration to your Board.

Our Office will report to your Board regularly on any Arizona-based contracts that were exempted or cancelled in the form of a monthly report.

If you have any questions, please have your staff contact Ellen Sandt, Deputy Chief Executive Officer at (213) 974-1186 or via email at [esandt@ceo.lacounty.gov](mailto:esandt@ceo.lacounty.gov) or Gevork Simdjian at (213) 893-9736 or via email at [gsimdjian@ceo.lacounty.gov](mailto:gsimdjian@ceo.lacounty.gov).

WTF:BC:ES  
GS:cg

c: County Counsel  
Executive Office, Board of Supervisors

Exemptions For Arizona-Based Contracts -- Month of 2012							
#	Department	Name of Contract	Contract # or Solicitation # (if applicable)	Services Provided or Supplies Purchased	Action	Reason(s) for Exemption/Termination	Notes or Comments
1							
2							
3							
4							

Exemptions For Arizona-Based Contracts -- "Month of" 2012							
#	Department	Name of Contract	Contract # or Solicitation # (if applicable)	Services Provided or Supplies Purchased	Action	Reason(s) for Exemption/Termination	Notes or Comments
5							
6							
7							
8							